RESEARCH REPORT

HOUSING NEEDS OF LOW-INCOME PEOPLE LIVING IN RURAL AREAS

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Housing Needs of Low-Income People Living in Rural Areas

Canada Mortgage and Housing Corporation

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Executive Summary

This research report summarizes the housing situations of low-income persons living in rural areas of Canada. It also identifies the barriers to addressing their housing needs, and the opportunities that exist in rural communities and small towns to address these situations.

Methodology

Three approaches were employed to develop an understanding of the housing needs of low-income people living in rural areas. A literature review and a statistical review were conducted concurrently. This was followed by 12 case studies conducted in 12 diverse rural communities and small towns across Canada. This included key informant interviews and a review of relevant local documents.

For the purpose of this research, many definitions of rural were employed. This permitted, for example, a wide-ranging exploration of literature on the subject. It also permitted a review of Census data exploring the relationship among housing, income and households in rural areas, using primarily CMHC's Housing in Canada database. The Organisation for Economic Co-operation and Development (OECD) description of predominantly rural regions was employed to define rural areas for the purpose of selecting 12 case study communities (where the community is less than 10,000 in population) for detailed investigation.

The case studies were chosen based on a convenience sampling procedure, and through consultations with CMHC and members of the Federal/Provincial/Territorial Working Group on Rural and Remote Housing. The case study sites were:

Brooks, Alberta
Coral Harbour, Nunavut Territory
Kingston-Greenwood, Nova Scotia
Maniwaki, Quebec
Marystown, Newfoundland and Labrador
Mississippi Mills, Ontario
Port Elgin, Ontario
Preeceville, Saskatchewan
Russell, Manitoba
Saint-Fabien-de-Panet, Quebec
St. Stephen, New Brunswick
Wawa, Ontario

Low-Income Households in Rural Canada

The types of low-income households vary significantly in different rural communities. In growing rural communities, the working poor, single parents, and seniors categories tend to be the most prominent among low-income households. These individuals typically feel the brunt of rising housing costs in these communities.

Low-income households of all types are found in both stable and declining rural communities. In rural communities which are bedroom communities for larger urban centres, where higher-income households are moving into the community, working poor and single parents find themselves in low-income situations, and are more prevalent than other low income household types. In retirement communities, one typically finds seniors and single persons as the most visible among low income households. In Northern communities, Aboriginal people, single parents, the working poor and single persons are prevalent among low-income households. Single youth and disabled persons were generally not prevalent among the low-income populations observed.

Housing Situations of Low-Income Households

The housing situations of low-income households also vary significantly across different types of rural communities. In growing communities low-income households face high housing costs and declining vacancy rates. In both stable and declining communities, high operating costs and older housing in poor condition are more common problems. Declining vacancy rates in stable communities are due to the lack of new construction. In bedroom communities, where higher-income households are moving in to the community, the working poor and single parents typically face rising costs and fewer housing choices. In retirement communities, rents in new seniors' housing are high. In Northern communities, where construction and operating costs are much higher than in the south, major affordability and crowding problems arise, especially among Aboriginal households.

Affordability: The statistical review showed that 15.0% of rural households and 17.8% of rural off-reserve Aboriginal households faced affordability problems, as measured by the core housing need model, in 1996. Senior-led households, non-family households (such as people living alone, or unattached individuals living together) and renters were more likely to have affordability problems compared to other rural households. This was confirmed in most case study communities.

Adequacy and Suitability: The statistical review showed that 11.3% of rural households experience an adequacy problem, but only 4.4% are among those in core need. Suitability is a smaller problem, with 4.1% of rural households being crowded, and only 0.9% being among those who are in core need. The need for repair was evident in some case study communities, especially in St. Stephen, Kingston-Greenwood, Maniwaki and Wawa. Crowding problems were apparent only in relatively isolated cases within the case study communities; however, there was evidence of crowding in Brooks and in Coral Harbour in particular.

Heating and Utility Costs: Lower-income households (of all types) tended to live in older housing units which were poorly insulated and had high heating and utility costs. This was particularly evident for low-income renters in St. Stephen, Marystown, Kingston-Greenwood, Saint-Fabien-de-Panet, Maniwaki, Port Elgin, and Wawa. These high operating costs are particularly acute in the north.

Rental Housing: Most of the case study communities experienced a lack of new rental housing construction. The result is very little rental housing choice characterized by low vacancies, poor conditions, and high operating costs. The exceptions occured in communities where the economy is growing (Brooks, Mississippi Mills), and in communities where a modest number of new units aimed at higher-income seniors—usually with extended services and amenities—were being built (Kingston-Greenwood, St. Stephen, Russell, Port Elgin). Social assistance rates created distortions in small rental markets: in some provinces, the rates paid are too low to make ends meet (Ontario, New Brunswick), and in other provinces (Nova Scotia), where there is a shelter component to social assistance, market rents are usually set at that rate by landlords, making it more expensive for other low-income households, particularly the working poor.

Ownership Housing: This is the main tenure form in rural areas and small towns even for low-income households. On a relative basis, a smaller percentage of rural homeowners are in core need (10% compared to 30% of rural renters). Ownership is often the only tenure choice, especially when rental housing is either unavailable due to low vacancies, or is at least as expensive as owning. Many low-income households have problems saving for a downpayment to actually purchase a home. In Brooks, Kingston-Greenwood, Mississippi Mills and Port Elgin, where average incomes are relatively high, average house prices tend to be high and beyond the reach of low-income households. In Coral Harbour, where the construction costs (and therefore purchase prices) are exceptionally high, those with low-incomes have almost no hope of owning a home. Other low-income homeowners have problems affording the costs of maintaining their homes (property taxes, utility bills, and maintenance and repair). This was evident in Saint-Fabien-de-Panet, Port Elgin, St. Stephen, Kingston-Greenwood, and Preeceville.

Low-income Off-Reserve Aboriginal Households: The incidence of need among Aboriginal households in 1996 was much higher (28.8%) than among other households living in rural areas, including 17.8% with some type of housing affordability problem, 21.6% with an adequacy problem, and 18% with a suitability problem. Although this situation was an improvement from the early 1990s, off-reserve Aboriginal households were twice as likely to be in core housing need and seven times more likely to be below multiple housing standards when compared to other rural households. The absolute numbers of these households in need were small. However, in Coral Harbour there were many housing problems associated with the high costs of construction and utilities coupled with the lack of employment opportunities. This leaves Aboriginal households with major affordability problems, which are often addressed by "doubling up" in crowded situations.

Rural Homelessness: There was very little evidence of absolute homelessness in the case studies. In most of the case study communities there may be only one or two households or individuals who could be described as being "absolute homeless" without a permanent place to call home. They would typically be living outside of a small town or community, in a very rural location, perhaps in a tent for part of the year, or in another modified structure (such as a converted bus or camper).

The Nature of Rural Housing

Type and Tenure: According to the 1996 Census of Canada, a higher percentage of rural and small town residents in Canada own their homes (82%) compared to urban households, where ownership rates are at 64%. Many of the homes owned by rural and small town residents are mortgage-free (56%), while only 45% of urban homeowners do not have mortgages on their homes. Rental housing in rural areas is typically comprised of low-rise apartment buildings of six or fewer units (including houses converted to multiple unit dwellings), plus single detached or semi-detached homes. In some rural communities and small towns there are secondary suites, mini or mobile homes, and apartments above commercial properties, but these were generally less important in terms of overall supply.

Condition of the Rural Housing Stock: Compared to that in urban areas, more of the rural housing stock is in need of major repairs.

The rural housing stock is made up of significant proportions of older, pre-1941 residential dwellings (29%). Because of their age, the proportion of these houses in need of major repairs is higher than the Canadian national average. The problem of poor quality housing stock or the need for repairs (particularly for low-income renters) was raised in a number of case study communities, including St. Stephen, Saint-Fabien-de-Panet, Maniwaki and Wawa. It was also identified as a problem for some rural homeowners, especially older homeowners.

Housing Supply Issues: The number of new rental units built has been very low or non-existent, which has created a supply deficiency in many small communities, particularly for low-income households. Bursts of new housing supply in rural communities and small towns are often linked to specific periods of increased economic activity (Port Elgin, Maniwaki and Wawa). The resale market as a means of supplying homes varies widely, but in communities with depressed economies it can be difficult to sell homes because of limited in-migration (Maniwaki, St. Stephen) or the older age of the properties which affects their quality and operating costs.

Local Construction Sector Capacity: In general, the private building sector faces many challenges in supplying housing. When added together, elements like a small population, the scattered nature of settlement, and extra costs reduce the viability of private market activity in many smaller and more isolated rural communities. In Maniwaki, Wawa, Preeceville, Saint-Fabien-de-Panet and Russell, it was noted that the local construction sector typically only provides renovation services. The limited or non-existent demand over time for new housing construction (due in large measure to the small population sizes in these communities) has meant that few people have become involved in this sector, or they have left their communities in search of other employment opportunities. One exception is in Coral Harbour where a concerted effort has been made to train carpenters and tradespeople from among the Aboriginal population as a means to reduce the need to import such labour, and as a way to provide local employment opportunities. In communities where the economy is expanding or reasonably healthy (Brooks, Mississippi Mills, Kingston-Greenwood), there is new residential construction activity, and more capacity in the local construction sector to build new housing on demand.

Self-Build: One of the common strategies in rural communities and small towns employed by households wishing to reduce their housing costs is to build their own homes. The cost savings for self-builders are primarily through sweat equity provided by themselves, family members and friends, and through lower borrowing costs by dramatically reducing or eliminating the amount borrowed through a mortgage. However, both the literature review and the case study work revealed that very few self-builders are low-income households, because they lack the necessary up-front cash savings required.

Manufactured Housing: Manufactured housing is important as a potential affordable ownership or rental supply for lower-income households. Unfortunately, older models are in poor condition, and carry a stigma with them which makes the purchase and placement of new units somewhat difficult because of negative local attitudes and perceptions toward these types of units.

Across Canada, only 3% of new housing starts are from the manufactured housing sector (but it is 24% i the United States). The sector is more act. in Nova Scotia and New Brunswick than elsewhere in Canada in terms of its relative share of new housing starts. In Preeceville and Russell, where the populations are small and there is virtually no construction sector, and in St. Stephen, manufactured housing has become the housing of choice across all income categories.

Barriers and Opportunities

There are a variety of barriers to addressing the housing needs of low-income households beyond low-incomes:

- high building costs
- Not In My Backyard Syndrome (NIMBY)
- limited economic options, economic uncertainty and lack of viable housing markets
- limited economic return on rental housing
- community services infrastructure
- poor social conditions
- lack of community leadership
- public policy and regulations

Despite the fact that there are many barriers to addressing the housing needs of low-income households in rural communities, the collective experience of the 12 case studies reveals that there are many potential opportunities to address some of the needs:

- introducing new municipal planning and land development practices
- having proactive community leadership
- converting buildings to housing
- responding to market demand from seniors
- integrating housing and services for seniors, disabled people and others
- embracing manufactured housing
- continuing research and development on building technology for the north

The development of strategies to address housing needs in rural communities and small towns must be considered in concert with broader community development activities. The investigation in case study communities clearly revealed that some communities are better prepared to address needs. In these cases, the community adopted broader approaches to the issue, through the establishment of community housing or social agencies (Brooks, Mississippi Mills), developing a population growth or retention strategy (Saint-Fabien-de-Panet), making use of community assets and resources (Saint-Fabien-de-Panet, Port Elgin, St. Stephen), and linking social development and social or health services with the provision of housing (Mississippi Mills, Port Elgin, Russell, Preeceville). Other communities recognized the need to put in place a more coordinated social development strategy to boost people's life skills so that they would be better housing occupants and would have a greater chance of obtaining meaningful employment (St. Stephen, Coral Harbour).

The housing needs of low-income households are also, in part, an income problem. Many rural communities have limited economic options (Coral Harbour, Marystown, Wawa, Saint-Fabien-de-Panet, Maniwaki, Preeceville), which reduce the potential residents have to obtain sustained, year-round employment capable of providing an income sufficient to pay for their housing. Thus, it is critical that

housing development strategies be explicitly linked to broader community economic development strategies which will create jobs and income for lower-income households.

Conclusions

The housing needs of low-income persons in rural Canada are quite diverse and vary from place to place across the country. Seniors, working poor families, single parent households, some single youth and young adults, a few disabled persons, and some Aboriginal persons represented the "universe" of low-income persons in rural Canada. The relative presence of one or more of these groups among local low-income populations varies from place to place dependent upon the local circumstances, as do the housing situations they face, and the barriers and opportunities associated with addressing their housing needs.

There are four issues which largely define the nature of the housing situation facing low-income households in rural communities:

- Economic context of the community in terms of its activity and relation to its larger region, which relates to employment opportunities and incomes;
- Distance of the community from a large urban centre, which relates to access to services and also to employment opportunities and incomes;
- Population size of the community, which relates to market functioning, and to construction sector development and capacity; and
- Size of the local and regional seniors population, since this group is attracted to small rural communities if there is access to a range of housing options (from home ownership to appropriate apartments to assisted living to full care nursing homes) and health care facilities.

As a result of these four predominant factors, housing development generally, and rental markets more specifically, tend to be problematic in most rural communities and small towns. From a demand perspective, those with relatively high or even modest incomes can afford home ownership. Thus renters are often characterized as being low-income, on social assistance, or transient. There are several instances, however, where high-income earners (teachers, health care professionals) desire short-to medium-term rental accommodation, but there is limited choice, and little of high quality. This was in evidence in St. Stephen and Russell. From a supply side, then, it is difficult for rental owners and investors to earn sufficient income for reinvestment purposes, and this leads in part to a decline in the quality of the stock.

This context poses real challenges for low-income households looking for ways to solve their own housing problems. The implicit assumption of the core housing need model is that, with sufficient income, a household can resolve its housing difficulty. In an urban setting with a viable rental market, this assumption is probably reasonable. In a rural setting, supply can be constrained so that, even with financial resources, other options may not exist. The lack of housing supply in rural areas must be borne in mind when assessing housing need in rural areas.

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1.0 Introduction

The purpose of this project is to explore the housing needs of low-income people living in rural areas in Canada. It excludes a specific examination of housing needs of First Nations people living on-reserve. Specifically, this report provides answers to, and a discussion about, four critical questions:

- Who are the low-income households in rural Canada?
- What are their housing situations?
- What are the barriers to addressing their housing needs?
- What are the opportunities for addressing their housing needs?

This report brings together the collective findings from three discrete but linked research activities on this topic: a literature review on rural housing issues associated with low-income persons; a review of published and unpublished Canadian statistics on the topic of housing needs in rural areas, with an emphasis on core housing need; and a series of case studies in 12 diverse rural communities and small towns.

1.1 The Research Context

Most Canadian research on housing for low-income people (including data collected by Statistics Canada through its various surveys, and, to a certain extent, the Census, plus CMHC's various market research projects and rental market analyses) focuses on urban areas where the majority of the population lives. There has been very little systematic and sustained research on housing issues in rural areas, especially those related to the needs of low-income households. However, there is a growing interest in rural housing issues. For example, a federal/provincial/territorial working group on rural and remote housing has been established.

Housing built to suit the environment, Coral Harbour

1.2 What is Rural?

There are potentially many different definitions of rural. The two most common frameworks for defining rural in Canada are the Statistics Canada definition, and the Organisation for Economic Co-operation and Development (OECD) definition, each of which is described below.

Statistics Canada defines rural as anything that is not urban. Thus, rural communities include any unincorporated place. Urban areas are divided into three categories:

- **Census Metropolitan Areas** - the main labour market area of an urbanized core or a continuous built-up area having 100,000 or more population;
- **Census Agglomerations** - the main labour market area of an urbanized core or a continuous built-up area having between 10,000 and 99,999;
- **Small Urban** - all other incorporated places with a population of less than 10,000.

Summary of Rural Issues and Trends

Demographics

- Aging of population is more pronounced in rural Canada.
- More older citizens moving from urban to rural communities.
- Out-migration of youth from rural communities.
- Very low birth rates and rates of household formation.
- Rural population share of national population continues to decline.

Economy

- Shift of rural economy away from a predominantly resource-based economy; major employment sectors in rural Canada are retail and wholesale trade, and manufacturing in all provinces except PEI and the three Prairie provinces, where the primary sector (agriculture) is dominant.
- Employment growth and economic activity is more generally associated with rural locations near major urban centres, while employment is in decline in most other types of rural communities.
- Unemployment rates are higher in rural areas.
- Labour force participation rate is lower in rural areas.

Services

- Rural residents travel further to access many different types of general services and government services.

Land Use and Community Planning

- Many small municipalities and unincorporated rural communities do not have serviced land and other infrastructure to facilitate development.
- In small municipalities, limited water and sewer services cannot support much in the way of multiple unit dwelling structures.
- Many small communities and rural areas have only basic planning statements and regulations, which often do not permit alternative housing forms beyond single detached houses.

The North

- Aboriginal people represent approximately 81% of the population.
- Very high proportion of young children and young adults.
- Growing number of seniors, and a growing number living alone.
- Educational achievement is lower.
- Northern climate poses significant building and operating challenges.

Thus, Statistics Canada's "rural and small

town" definition includes rural areas and small urban areas, and in 1996, about 22% of the Canadian population lived in these types of communities. du Plessis et al (2001) note that:

> *"... the appropriate definition should be determined by the question being addressed; however, if we were to recommend one definition as a starting point or benchmark for understanding Canada's rural population, it would be the "rural and small town" definition. This is the population living in towns and municipalities outside the commuting zone of larger urban centres (i.e. outside the commuting zone of centres with population of 10,000 or more) ..." (p. 1)*

The Organisation for Economic Co-operation and Development (OECD) approach to defining rural is based on establishing rural regions with population density as an important factor:

> *"... OECD predominantly rural regions refers to individuals living in census divisions with more than 50 percent of the population living in OECD rural [communities with a population density of less than 150 persons per square km] communities. This includes all census divisions without a major city ..." (du Plessis et al, 2001, p. 6)*

Based on this definition, approximately 31.4% of the Canadian population in 1996 lived in predominantly rural regions (du Plessis et al., 2001).

An important defining feature which distinguishes one rural and small town community from another is its distance from a major city. Rural communities and small towns are generally found within one of three types of predominantly rural regions in Canada: rural metro-adjacent regions, rural non-metro-adjacent regions, and rural northern and remote regions. In 1996, 15% of the total Canadian population lived in rural metro-adjacent regions; 14% lived in rural non-metro-adjacent regions and 2% in rural northern and remote regions (Beshiri and Bollman, 2001).

The OECD definition is most helpful when attempting to understand regional issues such as economic development or labour market issues. It is also appropriate for looking at housing issues, since the nature of service delivery by the public and non-profit sectors to people with low-incomes tends to be on a regional basis, and since housing markets in individual small communities tend to be limited; one often has too look at several adjacent communities to find a full range of housing options and choices within the private and public sectors.

From these definitions, we chose the OECD definition as the starting point to establish the sampling frame for case study selection (section 2.3.1). We then developed a working typology of rural communities to help frame the discussion about low-income households and their housing situations. The typology is based on a mix of variables which extends from the basics of population size and distance from an urban centre to include geography, economic base, and demographics. Outlined in Table 1 is a summary of the typology elements used to discuss and describe different low-income housing situations across different types of rural communities.

Table 1: Typology of Rural Communities

Type	Geography	Economy	Demographics	Case Study Communities
Growing Communities	• located close to urban centres • usually along major highways	• fuelled by new economic activity • service centre for other areas	• broad mix of population cohorts • more single young males • usually 5,000-9,999 population	• Brooks Alta. • Kingston N.S.
Stable or Slow Growth Communities	• usually within 1 hour of large urban centre	• service centre for other areas • presence of social services is important	• broad mix of population cohorts • usually 2,500-4,999 population	• Port Elgin Ont. • Saint-Fabien-de-Panet Que. • St. Stephen N.B.
Declining Communities	• usually more than 2 hours from large urban centre	• slow erosion of economy through business closure • may have been, or still is, a single industry community • seasonal activities may be important	• youth out-migration • older population • usually fewer than 2,500 population	• Maniwaki Que. • Marystown Nfld. • Wawa Ont.
Bedroom Communities	• located near large urban centre	• retail and services dominate	• young adults and families • semi retired professionals	• Mississippi Mills Ont.
Retirement Communities	• reasonably close to a large urban centre • may serve as a regional population centre	• retail and services • health care sector	• high elderly population	• Russell Man. • Preeceville Sask.
Northern Communities	• usually isolated and far distance from "markets"	• resource and service oriented • large gap between high and low paying jobs • limited expansion options	• younger population • mostly Aboriginal	• Coral Harbour Nun.

1.3 Outline of Report

This report continues with a description of the methodology employed for each of the three research activities. The report then describes low-income households in rural Canada, and their housing situations. The nature of the rural housing stock and rural housing markets is then discussed. This leads into a discussion of the barriers and opportunities to address rural housing problems for low-income households. The report concludes by summarizing the key findings, and outlining the relationship between housing and community development in a rural context.

Older house converted to apartment, St. Stephen

Market housing for seniors, St. Stephen

2.0 Methodology

Three approaches were employed to develop an understanding of the housing needs of low-income people living in rural areas. A literature review and a statistical review were conducted concurrently. The information obtained from these two activities in part informed the development of the tools implemented in the conduct of 12 case studies conducted in 12 diverse rural communities and small towns. The methodologies employed for each activity are described below.

2.1 Literature Review

The purpose of the literature review was to provide an overview of the housing issues faced by low-income households and individuals in rural areas. It focused primarily on Canadian issues, while highlighting issues in the American context, which in most cases are somewhat similar to those in Canada. A brief examination of rural housing issues in the European, New Zealand, and Australian contexts was also conducted.

The literature review was not intended to be comprehensive for three reasons. First, the companion statistical review focused primarily on the specific issue of core housing need (affordability, suitability, and adequacy) in a rural context. The literature review covered other issues, such as:

- economic, social and demographic change
- social services
- infrastructure, land development and planning
- rural housing markets
- northern Canada
- international issues

Second, the literature review was intended primarily to provide an informed approach to the conduct of the local case studies, providing information about the issues to be addressed in interviews and to be uncovered in a review of local and regional documents and reports. Finally, the literature review was also designed to identify the types of housing indicators and measures that might be appropriate in a rural context, and in a northern Canada context as well. In other words, the concepts we typically attach to shelter and living conditions in urban communities are not always transferable or appropriate in a rural context.

Documents for the review were accessed through various journals, books, and Web sites of key housing organizations.

2.2 Statistical Review

A statistical review was undertaken to provide a brief review of the statistical evidence on housing need in rural areas using information from the Census of Canada 1991 and 1996, the 1999 Survey of Household Spending and the 1991 Post Censal Aboriginal Peoples' Survey. The Yukon Housing Needs Study was also reviewed to provide a snapshot of northern housing issues. The primary focus was to assess the evidence with respect to core housing need among rural households.

2.2.1 Defining Core Housing Need

CMHC (1991 and 1994) set out the basic approach to the definition and quantification of housing need, generally referred to as the core housing need methodology. This approach has been accepted in Canada at both the federal and provincial level, and has been applied to a variety of statistical sources.

Most Canadian households live in dwellings that are adequate in condition, affordable in relation to their income and suitable in size:

- An adequate dwelling does not, in the assessment of the occupants, require major repairs or lack (hot or cold) running water and has a full bathroom.
- The shelter cost for an affordable dwelling must be less than 30% of household pre-tax income. Shelter cost for owners includes mortgage principal and interest, property taxes, condominium charges (if applicable) and utility payments (water, gas and electricity). For renters, the shelter cost includes rent and utilities if the latter are not included in the rent.
- A suitable dwelling has enough bedrooms to provide the household with the required amount of space and privacy, taking into account the age and gender of the members using the National Occupancy Standards (NOS) as the measure of space requirements. The elements of the NOS are as follows:
  - Children under five years of age are expected to share a bedroom with one other sibling, regardless of gender;
  - From five to 18 years of age, children are expected to share a bedroom with one other sibling of the same gender;
  - Each adult (18 years of age and older) is allotted his/her own bedroom, unless they are part of a married or common law relationship, in which case they would be expected to share a bedroom with his/her spouse/partner.

A certain percentage of households fall below one or more of the adequacy, affordability or suitability standards. Some of these households have the means to rent alternative accommodation in their home market that would meet or exceed the housing standards. In other cases, the household income may prevent them from doing so. To be in core housing need, a household must fall below one or more of the three housing standards of adequacy, affordability or suitability and lack the means to access accommodation that would meet adequacy and suitability standards. The latter means test compares 30% of the pre-tax household income to the median annual rent for adequate and suitable accommodation.

2.2.2 Statistical Sources

The Census and the Survey of Household Spending were the two primary sources of data reviewed. The Census is the most complete data vehicle for the assessment of housing conditions and the estimation of housing need using the core housing need methodology. It has the advantage of a large sample size that allows housing need to be calculated at the lowest geographic levels. The Census also collects complete demographic information on all of the household members. This facilitates the examination of how well the dwelling can provide for the privacy needs of the household members (suitability), taking into account the age, gender and the relationships between the members.

The Housing In Canada (HIC) electronic database (CMHC, 2000) provides separate tables from the Census for farm households and for Aboriginal households living off reserve. (Aboriginal households living on reserves are not part of this study.)

The Census is conducted only once every five years and the data is published with a two to three year lag. Sample surveys are used to monitor intercensal trends in housing need. The Survey of Household Spending (SHS) is an annual Statistics Canada survey undertaken to provide the weighting for the Consumer

Price Index expenditure basket and to distribute the revenue between the provincial and federal governments where the sales taxes have been harmonized. The SHS also gathers stock and facilities items previously gathered by the Survey of Household Facilities and Equipment. SHS collects household income (uniquely among Statistics Canada surveys) for the same reference period as the expenditure information. In other surveys, the household income refers to the most recent complete year while housing expenditures refer to the current year. From a housing viewpoint, SHS is then a replacement for both the Family Expenditure Survey (FAMEX) and Household Facilities and Equipment (HFE) Surveys.

The 1991 Post Censal Aboriginal Peoples' Survey was also used to supplement information found about off-reserve Aboriginals from the 1996 census. Finally, we also examined the Yukon Housing Needs Study, completed by the Yukon Housing Corporation in 2000. It was designed to provide a snapshot of housing issues in all communities, especially in those outside of the core population centre of Whitehorse, where 62% of the population resides. The study examined issues associated with affordability, heating, need for repairs, amenities, health and safety issues, and disabilities.

2.3 Case Studies

The purpose of conducting the case studies was to provide an assessment of local issues with respect to the housing needs of low-income households in rural communities. Primarily, the case studies served as a means to verify or support the theory and statistics emerging from the earlier work in the project.

A convenient sampling method was to be used to select case study communities for analysis. A set of 10 to 15 key informant interviews, supplemented with a review of local documents, were completed for each case study.

2.3.1 Sampling Frame

The sampling frame for selecting case study communities was based on the OECD definition of rural regions discussed in section 1.2. Our approach to identifying the sampling frame for case study selection was to identify several different predominantly rural regions across Canada, and then to focus on a single municipality as the focal point for the case study. In many cases, information about issues in the surrounding region of a specific municipality was also collected, given the interdependent nature of outlying rural areas with a municipality, or with the interconnectedness of many social and economic functions within a region comprised of several municipalities.

2.3.2 Criteria for Selecting Sites Within the Sampling Frame

Within the confines of the sampling frame, the following criteria were used to guide the selection of specific case study communities:

- Ensure coverage of each region of Canada (West, Ontario, Quebec, Atlantic, North).
- Ensure coverage of Anglophone and Francophone communities.
- Ensure inclusion of an off-reserve Aboriginal case study community.
- Ensure the communities reflect a mix of different economic activities (such as, seasonal, agricultural, resource-based).

- Ensure the communities reflect a mix of economic trends (such as, a community experiencing decline, a community experiencing growth, but excluding suburban or urban shadow communities of large urban centres).
- Ensure the communities reflect a mix of different social and demographic characteristics (such as, high proportion of elderly, high proportion of single parents).
- Select communities where we expect there will be available local data to supplement interviews.
- Select communities where there has been previous research and consulting experience by team members.

An initial proposed list of case study communities was submitted with the proposal to complete this project, and this list was subsequently refined and revised in consultation with CMHC. The final list of case studies chosen includes (in alphabetical order):

- Brooks, Alberta
- Coral Harbour, Nunavut Territory
- Kingston-Greenwood, Nova Scotia
- Maniwaki, Quebec
- Marystown, Newfoundland and Labrador
- Mississippi Mills, Ontario
- Port Elgin, Ontario
- Preeceville, Saskatchewan
- Russell, Manitoba
- Saint-Fabien-de-Panet, Quebec
- St. Stephen, New Brunswick
- Wawa, Ontario

The sampling frame and criteria for selecting the case study communities were not rigorously applied. For example, Brooks (Alberta) has slightly more than 10,000 people, but it was selected because of its recent rapid population growth to this figure, and based on the suggestion by the Province of Alberta. Mississippi Mills (Ontario) also has more than 10,000 people (as a result of recent amalgamation of three communities) and it is an urban shadow community. This community was included based on the recommendation of CMHC.

2.3.3 Key Informant Interviewee Selection Criteria

A two-step process was used to identify key informants in each case study community.

The first included the preparation of a generic "priority" list of the types of individuals and representatives of organizations with knowledge about local housing and related issues, who should be interviewed in all case study communities. These individuals were included if they were in fact present in the community or provided service on a regional basis to the case study community, even if they were based in a neighbouring community. This list was supplemented by a "substitute" list of individuals and representatives of organizations. Individuals were chosen on a local basis, to replace a refused interview, unavailable interviewee, or non-existent individuals or organizations, from the priority list. In some cases interviewees were selected from the second list for other reasons. For example, since the RCMP participated on the national steering committee for this project, where RCMP detachments were found in the case study locations, an RCMP officer was contacted for an interview. In other cases, the relative prominence and activity of a particular organization or agency in a given case study location warranted its selection for an interview.

Priority List: To be interviewed in all communities:

- municipal staff or municipal councilor
- social workers or municipal social service departments
- economic development officers
- health care officials, community health workers, directors of the regional health districts
- housing authority managers
- real estate agents
- non-profit housing corporations
- central housing registries
- landlords/property managers
- directors of municipal homes for the aged
- operators of emergency shelters/transitional housing

Substitute List: To be interviewed in some communities, as appropriate:

- presidents of seniors' associations
- RCMP officers
- school division superintendents
- agricultural development officers
- community planners
- HRDC/local employment centres
- support agencies
- RRAP administrator
- friendship centre

The second step was the identification of the name and contact information for each individual or organization chosen for an interview, in each site. Potential interviewees were personally contacted, provided with background information about the project, and invited to participate in the research project.

2.3.4 Interview Guide, Site Visits and Follow-up

Interviews with key informants were conducted on-site, in each of the local case study communities, in the months of February to May, 2002. Most interviews were conducted in person; however, in some instances, due to scheduling conflicts, interviews were completed by telephone either before or after the site visit. An interview guide was prepared, informed by the literature review and the statistical review.

As a courtesy to the individuals who participated in the interview process, and as a means of verification and ensuring accuracy in the interpretation of the information collected, interviewees were invited to provide comments on a draft of the case study report for their community.

2.3.5 Document Review

For each of the case study communities, an attempt was made to collect and review published and unpublished relevant local reports or studies, such as:

- a submission made by a local group to a provincial housing or social task force
- local studies by consultants or others
- municipal plans
- social services reports
- annual reports of local community groups such as food banks
- community homelessness plan
- social housing waiting list reports
- social planning council reports
- others as identified locally

The availability of such local documentation varied significantly among the case study sites. Finally, where possible, reviews of local newspapers for rental listings, and of real estate listings, were also completed for the purpose of providing context and information about the local housing market.

2.4 Limitations of the Methodology

While the methods and approaches used in this research project, taken together, have provided an interesting and useful perspective on the issues associated with housing and low-income households in rural areas, there are several important limitations worth noting. These are discussed relative to each of the three distinct activities.

Literature Review

One limitation of the literature review was that very little "grey literature" (reports done and data collected by governments, municipalities, local community groups) was collected. Other types of local reports which are not housing-specific, such as economic development plans and regional health studies or reports, where housing may be discussed in a very brief and indirect way, are also part of the "grey literature". Collectively, these are generally not published, and hence, not available from readily accessible sources. We did access some of these types of reports during the local document review of the case studies. We suspect that there is a significant amount of this type of material available, but there simply was not enough time devoted to this phase of the work for a more exhaustive search.

A second limitation is the general lack of any significant body of recent literature on rural housing in Canada. It does not seem to be an area that has been the focus of any dedicated work in recent years, particularly work that focuses directly on housing and the needs of low-income households.

Statistical Review

An important limitation from the perspective of the data is that a reasonably narrow range of data sources were used (again, based on the time that was allocated to this phase of the work). In part, this is because of the lack of comparable data bases, particularly across smaller size population centres. Information about dwelling starts, building permits, number and type of people on social assistance, up-to-date employment rates, and much more are either not available on a local basis (being available only on a regional basis in some cases), or are not comparable from one community to the next. In some cases, inter-provincial differences exist. For example, we were able to secure very detailed information about the nature of the social assistance clients in New Brunswick, but this was only available in a limited way in other provinces.

A second data limitation is that the 1996 Census is now outdated and likely does not provide the most accurate picture of the current situation facing low-income households.

A third limitation of the statistical review is the focus on exploring core housing need. Generally speaking this is a very good approach for examining need in an urban context, but less so in a rural context because incomes are generally lower, and market conditions may

be significantly different from community to community. In particular, there are very real limitations to applying the model in a Northern and remote context. A report prepared by the Institute of Urban Studies (1999) evaluated the appropriateness of the Core Need Model in the measurement of housing circumstances in such communities. The report concluded that a better assessment of need in northern and remote areas would require a more comprehensive model. This model would incorporate not only an expanded database on housing and household circumstances, but would include data on the general service base of the community, housing supply, marketplace factors, and the effect of housing circumstances on health and social well-being of the household (quality of life). The study also suggested that the fact that the current "Core Housing Need Model" does not identify the "depth or severity" of need was also a major concern in these communities. Overall, the report suggested that a more comprehensive approach to identifying housing need on a community or regional basis is required. This approach must go beyond the current focus on household composition, income and housing characteristics to consider a broader range of community, marketplace and household characteristics.

Case Studies

Many of the case study communities were part of a larger region of rural communities and small towns, and it was difficult to isolate the issues that were specific to the case study community because of the economic and social inter-relationships among the communities, and the provision of public services on a regional basis. For example, the case study communities in the Prairies functioned very much on a regional basis, and the lack of a regional focus limited the understanding of the true situation in the community. Regional dynamics and competition are very important in some of these areas and has considerable effect on the housing market. We attempted to identify as much as we could about the regional situation, but because we focused on specific communities we likely did not capture full coverage of the regional issues and their importance to particular communities.

The key informants we interviewed in the case study communities generally lacked concrete data and information on a wide range of important issues, such as dwelling conditions, number and type of low-income persons and households, house price and rent charges, and much more. In part this is explained by the lack of capacity (time, resources, and perhaps expertise) at the local level to collect this information. This meant that we were dependent, to a certain extent, on generalities expressed by the informants, personal assessments, and windshield surveys. This also meant that it was difficult to corroborate and verify some comments provided from interviewees about, for example, their perception of the number of people living in a dwelling needing major repairs.

Finally, the methodology employed for the case studies did not include interviewing low-income households themselves. Thus, we did not collect first hand information from this group about their perspectives on the housing situations they find themselves in, the barriers they face, and their ideas about potential opportunities for solving housing issues.

3.0 Low-Income Households in Rural Canada and Their Housing Situations

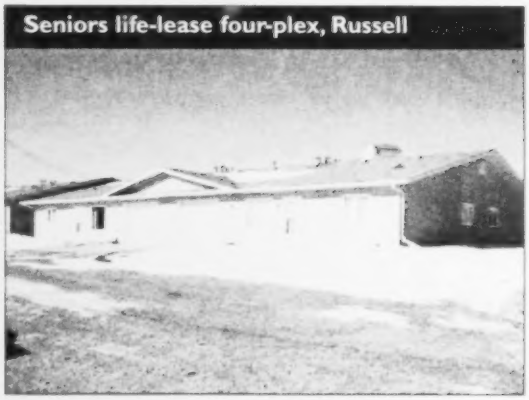
In this section we discuss who the low-income households are in rural Canada, and their housing situations. We present this discussion by assessing the variations across the six types of rural communities outlined in section 1.2.

3.1 Low-income Households in Rural Canada

The first step in describing low-income households is to define what is meant by a low-income situation. Defining a low-income situation is very difficult, and varies from community to community. Indicators of low-income situations, drawn from the literature review, the statistical review, the case studies, include:

- examining households below the low-income cutoff (LICO) measure;
- examining the "incidence of low-income" in communities, as reported in the Census;
- using social housing waiting lists;
- examining food bank usage; and
- developing a "general understanding", in a local context of the income required for different types of households to make ends meet.

When "low-income cut-off" (LICO) categories are used, there are fewer Canadian low-income families in rural areas (10% of households) than in urban centres (16-18 %). However, rural areas have the highest proportion of households with low-incomes based on the "low-income measure", with a rate of 15%, compared to 12% for urban centres with populations of 500,000 or more (Rupnik, Thompson-James, and Bollman, 2001, 15).



Seniors life-lease four-plex, Russell

The "incidence of low-income" as reported by the census, is calculated based on income, household size and expenses of the household. It is reported for individuals, for economic families and for the population as a whole living in private households. The incidence typically ranged from 10% to 25% among economic families, and between 21% and 57% among individuals living alone.

Data collected at the local level on food bank usage and social housing waiting lists varied significantly in terms of its availability and completeness. This was also the case when we asked informants about incomes required to "make a go of it" in their community. Most had no solid basis for their observations.

All of these indicators were used to construct a picture of the types of individuals and households who collectively comprise the "universe" of low-income households. Because the most recent census is now quite dated, and because the other indicators used are imperfect, there is no easy way to arrive at a "number" of low-income persons and households in each community. Furthermore, because of the varying degrees of knowledge

and contact, and the mix of potential indicators used, local informants also were challenged to describe what they felt was the relative composition of the low-income universe in their respective communities. The following types of households represent potential low-income households, and we summarize their relative presence across the six types of rural communities.

3.1.1 Working Poor Families

These households generally have lower levels of education and employable skills, and are one of the largest components of the low-income universe in most of the case study communities. In communities where the service sector, tourism and primary industries are major employers, these households tend to be more prominent. They also are prominent in other communities like Kingston-Greenwood, Port Elgin and Mississippi Mills, where there is a large employer paying high wages to a large segment of the workforce, which in turn keeps housing prices relatively higher and thus more expensive for lower-income workers. The "working poor" were less prevalent in Preeceville and Coral Harbour. In several of the case study communities it was noted that some "working poor" families choose to reside in a more rural area outside of a town or village, where land and housing costs are cheaper, or where they may have inherited a family property.

3.1.2 Single Parent Households

These households were also found to be a large component of the low-income universe in most of the case study communities. Many of these households are dependent on social assistance for income, and often occupy social housing units. These households were especially prevalent in Coral Harbour, Marystown, Kingston-Greenwood, Mississippi Mills, Port Elgin, St. Stephen and Wawa.

3.1.3 Seniors

low-income seniors are generally of two types. The first are those who may have been in a relatively low-income situation for most of their life. They now find themselves on fixed incomes, living in rental or social housing. They may be single or two-person households. The second are single seniors, usually widowed females, living alone in an older home they own, with a low or modest income. Some of these seniors may have been in a low-income situation for most of their lives, while others may have lower incomes now than in their past. These seniors often have challenges associated with the costs of maintaining their homes, and covering the costs of property taxes, high utility bills, and maintenance and repair. Senior households of both types were prominent in Kingston-Greenwood, Preeceville, Russell, and Saint-Fabien-de-Panet.

3.1.4 Single Persons

These households vary significantly in their circumstances, but are generally young adults with limited education and employable skills. They are more prominent in absolute numbers in communities dependent on natural resources, and thus they tend to form a larger share of the low-income group in those types of communities. This includes Coral Harbour, Maniwaki, Marystown, Saint-Fabien-de-Panet and Wawa, and to a lesser extent, Mississippi Mills, Preeceville, and Russell.

3.1.5 Single Youth

Because there are few economic or housing options for youth when they leave their parental home in a rural area, they often leave the community immediately for larger urban centres. They tend not to be a visible or large part of the low-income universe in rural communities. However, there was evidence in most of the case study communities of single youth accessing food banks, or receiving some form of social assistance.

3.1.6 Disabled Persons

This include both physically and mentally disabled persons. The general observation from the case study communities is that they do not form a large component of the low-income situation, primarily because of the family involvement in providing care, or because of the presence of a well-managed group home. Those without local families or with specific challenges not served by local agencies often move from the community to larger urban centres. Informants in some of the case study communities, such as Kingston-Greenwood, suggested that the number of disabled persons in rural communities is on the rise due to a number of factors, including de-institutionalization of mentally disabled persons, and an aging population with more physical limitations. In most of the case study communities there appeared to be limited knowledge about the number of low-income disabled persons and their housing needs. One observation from the three Ontario case study communities (Mississippi Mills, Port Elgin, and Wawa) is that local non-profit housing corporations were generally having trouble keeping their units for disabled persons full.

3.1.7 Aboriginal People

Four of the case study communities included some element of an Aboriginal population. Maniwaki, Preeceville and Russell are each located near a First Nation reserve. There is some indication that Aboriginal people from these nearby reserves move into these communities and some of them end up in low-income situations. Coral Harbour has a large Inuit population. They tend to have lower levels of education and do not always qualify for the higher paying government and management jobs typically held by southerners.

3.1.8 Summary of Low-income Household Types

The types of low-income households one would find in different types of rural communities vary significantly. In growing communities, the working poor, single parents and seniors tend to be the most prominent or visible among low-income households. They typically feel the brunt of rising housing costs in these communities. low-income households of all types are typically found in both stable and in declining communities. In bedroom communities, where higher income households are moving into the community, the result is that the working poor and single parents typically find themselves in low-income situations, and are more prevalent than other low-income household types. In retirement communities, one typically finds seniors and single persons as the most visible among low-income households. In Northern communities Aboriginals, single parents, the working poor, and single persons prevail among low-income households (Table 2). Single youth and disabled persons were generally not prevalent among the low-income populations we observed.

Table 2: Presence of Low-Income Household Types in Rural Communities

Type	Low-Income Households	Case Study Communities
Growing Communities	• working poor • single parents • seniors	• Brooks Alta. • Kingston N.S.
Stable or Slow Growth Communities	• working poor • single parents • seniors • single persons	• Port Elgin Ont. • Saint-Fabien-de-Panet Que. • St. Stephen N.B.
Declining Communities	• working poor • single parents • elderly • single persons • Aboriginal people (Maniwaki only)	• Maniwaki Que. • Marystown Nfld. • Wawa Ont.
Bedroom Communities	• working poor • single parents	• Mississippi Mills Ont.
Retirement Communities	• seniors • single persons	• Russell Man. • Preeceville Sask.
Northern Communities	• Aboriginal people • single parents • working poor • single persons	• Coral Harbour Nun.

3.2 Housing Situations of Low-income Households

In this section we describe the range of housing situations faced by low-income households. We begin by discussing problems or situations that are common to many types of low-income households who find themselves in core housing need—the problems of affordability, adequacy and suitability. Then the discussion shifts to the differences experienced between renter and ownership households. Finally, the discussion turns to a brief summary of specific situations, including that of Aboriginal people, commuters and rural homelessness.

3.2.1 Core Housing Need: Affordability Issues

Regardless of the type of household in a low-income situation, the most common housing problem they face is one of affordability, especially in the private rental market. With limited incomes, a significant proportion goes toward rent and utilities, with little left over for other necessities. A total of 15% of rural households and 17.8% of rural Aboriginal households faced affordability problems, as measured by the core housing need model, in 1996.

Among the households with housing affordability problems (paying more than 30% of their monthly income for housing), we find that 3.8% of households are not in core need, and 11.2% of rural households are in core need (Table 3).

Table 3: Urban and Rural Households in Core Housing Need Due to Affordability Problems, 1996

	Not In Need	In Need
Below Affordability Only	3.2%	9.1%
Below Affordability and Adequacy	0.4%	1.6%
Below Affordability and Suitability	0.2%	0.4%
Below Affordability, Adequacy and Suitability	0%	0.1%
TOTAL	**3.8%**	**11.2%**

Source: CMHC's HIC Database, based on 1996 Census

In a rural context, senior-led households were more likely than non-senior-led households to find themselves in a core housing need situation (which is mostly driven by affordability problems). Non-family households (such as people living alone, or unattached individuals living together) are also more likely to find themselves in a core housing need situation. Rural renters are also more likely to be in this situation than rural homeowners (Table 4).

Table 4: Incidence of Core Housing Need Among Rural Households, by Type and Tenure, 1996

	Total	Own	Rent
All Households	14.2%	10.3%	30.2%
Senior Households	14.8%	10.9%	34.7%
Non-Senior Households	14.0%	10.1%	29.0%
Family Households	11.2%	8.3%	26.3%
Non-Family Households	27.3%	22.5%	34.3%

Source: CMHC's HIC Database, based on 1996 Census

On a province-by-province basis, the highest percentage of households in housing need among rural households was in the Yukon and British Columbia with 21% of the households testing positive for core housing need. Newfoundland was second highest with 15.4%. The lowest incidence was in Saskatchewan at 12.4% (CMHC, 2000).

Table 5 examines incomes, shelter cost and shelter cost to income ratios (STIRs) for rural households with a comparison to the situation in 1991. In 1996, the household incomes of rural households in need were less than a third of households not in need ($15,200 as compared to $47,800). The difference in their shelter cost was less than $8. Households in need paid on average $487 dollars a month compared to $495 for households not in need. This small difference in shelter cost combined with a large difference in income led to a major difference in the average percentage of income going towards shelter. Households in core housing need spent 42% of their income on shelter compared to only 14% for households not in need.

Average STIRs also increased from 1991 to 1996, by 2 percentage points to 42% for all households in need. It jumped from 37% to 40% for owners in need and from 44% to 46% for renters in need. Average STIRs remained constant for households that were not in core housing need. It is clear that incomes among low-income households are not keeping pace with rising shelter cost.

Renters in need had the lowest household income—$13,700 compared to owners $16,200. In fact, renters in need spent more on shelter than renters not in need—$479 compared to $446. As a result the renters in need were spending in 1996, 46% of their income on shelter.

Table 5: Average Income, Shelter Cost and Shelter Cost-to-Income Ratios for Rural Households by Need Status, 1991-1996

		1996			1991		
		Average Income	Average Shelter Cost	Average STIR	Average Income	Average Shelter Cost	Average STIR
All	Total	$43,160	$495	18	$39,718	$426	17
	Not in Need	$47,794	$495	14	$43,066	$432	14
	In Need	$15,156	$487	42	$12,872	$378	40
Owner	Total	$46,257	$504	16	$42,255	$434	15
	Not in Need	$49,727	$504	13	$44,791	$439	13
	In Need	$16,171	$493	40	$13,759	$373	37
Renter	Total	$30,297	$458	26	$29,417	$395	23
	Not in Need	$37,481	$446	17	$34,719	$397	17
	In Need	$13,716	$479	46	$11,589	$386	44

Source: CMHC's HIC Database, based on 1996 Census

3.2.2 Core Housing Need: Adequacy and Suitability Issues

The need for repair (adequacy) and crowding (suitability) are less frequently a problem when compared to that of affordability. A total of 11.3% of rural households have an adequacy problem, and only 4.4% are among those in core need. Suitability is a smaller problem, with 4.1% of rural households being crowded, and only 0.9% being among those who are in core need.

The need for repair was evident in some case study communities, especially in St. Stephen, Kingston-Greenwood, Maniwaki and Wawa. Crowding problems were only apparent in relatively isolated cases within the case study communities; however, there was evidence of crowding in Brooks and in Coral Harbour in particular, and to a lesser extent in some of the other communities.

Core housing need is not calculated for farm households, since it is not always possible to separate the residential expenditures from those related to the farm buildings and property. Thus, the affordability test cannot be applied. However, farm households do have housing needs. For example, 8,680 (4.7%) of all farm households live in unsuitable or crowded conditions. As well, 22,530 (12.1%) of all farm households fall below the adequacy or need for major repair standard. For the oldest category of dwelling - those built before 1946 - the rate was 18%. The rate of need for repair decreased with the age of the dwelling and was 2.4% for dwellings built after 1991 (CMHC, 2000).

A similar declining function was also seen when the incidence of need for major repair was compared to income. The lowest income category—below $10,000 in annual household income—had the highest incidence of dwellings in need of major repair—18%. The rate declined to 10.3% for households with more than $50,000 in annual income. The average income of households in dwellings in need of major repair was $44,300, $10,000 less than the average of households who reported that their dwellings simply needed regular maintenance.

3.2.3 Heating and Utility Costs

In many of the case study communities, key informants noted that lower-income households (of all types) tended to live in older housing units which were also poorly insulated and had high heating and utility costs. This was particularly evident for low-income renters in St. Stephen, Marystown, Kingston-Greenwood, Saint-Fabien-de-Panet, Maniwaki, Port Elgin and Wawa. These high operating costs often eliminated any element of "affordable rents" that some low-income households may have been able to secure in their search for affordable housing. With limited incomes, this situation leaves little money available for other expenses.

These high operating costs are particularly acute in the north. The higher price of oil/fuel and in most communities the absence of local wood keeps heating costs very high (CMHC 1999). For example, in Coral Harbour, the average annual utility cost for a household living in a three-bedroom unit is almost $12,000 (Table 6).

Table 6: Housing Operating Costs, Coral Harbour			
Utility	**Consumption**	**Current Rate**	**Annualized Total Cost(s)**
1-Bedroom Unit Utility Consumption			
Fuel	565.07	0.7895/Litre	$1,784.48
Electricity	733.14	0.5347/Kilowatt	$1,568.04
Water and Sewage	28253.8	0.05/Litre	$5,650.76
Garbage	3 Months	$75.00/month	$900.00
Total			**$9,903.28**
2-Bedroom Unit Utility Consumption			
Fuel	362.6	0.7895/Litre	$1,145.08
Electricity	1790.67	0.5347/Kilowatt	$3,829.88
Water and Sewage	28040.2	0.05/Litre	$5,608.04
Garbage	3 Months	$75.00/month	$900.00
Total			**$11,483.00**
3-Bedroom Unit Utility Consumption			
Fuel	521.74	0.7895/Litre	$1,647.64
Electricity	1490.05	0.5347/Kilowatt	$3,186.92
Water and Sewage	31114	0.05/Litre	$6,222.80
Garbage	3 Months	$75.00/month	$900.00
Total			**$11,957.36**
4-Bedroom Unit Utility Consumption			
Fuel	453.25	0.7895/Litre	$1,431.36
Electricity	1868.86	0.5347/Kilowatt	$3,997.12
Water and Sewage	47786.8	0.05/Litre	$9,557.36
Garbage	3 Months	$75.00/month	$900.00
Total			**$15,885.84**
Source: Coral Harbour Housing Association, 2002			

3.2.4 Rental Housing

There was a lack of new rental housing construction across almost all of the case study communities. The result is very little rental housing choice characterized by low vacancies, relatively poorer conditions and higher operating costs. The exceptions are twofold. First, in communities where the economy is growing (Brooks, Mississippi Mills) there is new construction for the general marketplace. While this is out of the reach of low-income households, there is some trickle-down effect of opening up of existing older rental units for lower-income households. However, these may not be affordable, and the pace of new rental construction, especially in Brooks, is not keeping up with demand. Second, in some of the other case study communities (Kingston-Greenwood, St. Stephen, Russell, Port Elgin), the only new rental housing being constructed is a modest number of units aimed at higher-income seniors, usually with extended services and amenities.

Rental housing problems for low-income households may also be compounded by public policies and programs. For example, in provinces where there is a shelter component to social assistance, the shelter component amount poses some problems. In Nova Scotia

for example, interviewees in Kingston-Greenwood noted landlords tend to peg the rents at the maximum allowable. While this is not necessarily a problem for households on social assistance, it does keep rents higher than the marketplace might actually dictate, and thereby posing greater affordability burdens on other low-income households, namely the working poor. The reverse is true in many Ontario communities. Interviewees noted that the shelter component for social assistance recipients was much lower compared to the market rents being charged. This exacerbates the affordability problem for low-income households on social assistance. In provinces without a shelter component to social assistance, the total amount of money available to social assistance households is often insufficient to pay for housing and other expenses.

3.2.5 Ownership Housing

This is the main tenure form in rural areas and small towns (see also section 4.1), even for low-income households. On a relative basis, a smaller percentage of rural homeowners are in core need—10% compared to 30% of rural renters (Table 4) —but their absolute numbers are certainly higher, and they make up 59% of all rural households in core need. In many cases ownership may be the only choice in a community, especially when rental housing is either unavailable due to low vacancies, or is at least as expensive as owning. Table 5, showing the average STIRs for owner and renter households, reveals that in rural areas the average shelter cost for those in core housing need is almost the same for these two tenure types, with renters paying an average of $479 per month, and owners paying an average of $493 monthly.

Poor quality housing stock, St. Stephen

There are other home ownership problems for low-income households in addition to affordability. First, many have problems saving for a downpayment to actually purchase a home. In communities like Brooks, Kingston-Greenwood, Mississippi Mills and Port Elgin, where average incomes are higher, average house prices tend to be higher and beyond the reach of low-income households. In Coral Harbour, where the construction costs (and therefore purchase prices) are exceptionally high, those with low-incomes have almost no hope of owning a home.

Second, there can be problems for low-income homeowners of all types associated with the costs of maintaining their homes, and covering the costs of property taxes, high utility bills, and maintenance and repair. This was evident in many of the case study communities, including Saint-Fabien-de-Panet, Port Elgin, St. Stephen, Kingston-Greenwood, and Preeceville. George and Holden (2000) found similar issues in the United States.

Third, for those few low-income households that might save for a downpayment, there are potential challenges securing a mortgage loan.

If the lenders do not feel that the income is high enough or the employment secure enough, then the application could be denied. Very few of the key informants (and in only a handful of the case study communities) identified that access to mortgage financing was a barrier to housing for low-income households. Generally speaking key informants noted that the issue was primarily around the inability of low-income households to save for a downpayment, or that they were carrying a high debt load. However, in St. Stephen, there were a few reported cases of banks refusing to provide mortgages to households who qualified for government programs designed to assist low-income people achieve home ownership. In Kingston-Greenwood some key informants noted that low-income women (especially those who left a marriage and were now on their own or with children), and other women as well, had difficulty obtaining mortgages. In addition to perceived bias against women, some women experienced credit problems (lack of, or bad credit history as a carryover from their previous relationship). In Maniwaki and in Wawa there were also some instances of low-income households being denied a mortgage loan despite having a sufficient downpayment.

The literature on access to mortgage loans and insurance in a Canadian rural context is mostly dated to the 1980s. At that time, rural, remote and resource communities did not exhibit the characteristics of a "normal market" and this situation was difficult for the lending industry to handle.

3.2.6 Low-income Off-Reserve Aboriginal Households

Off-reserve Aboriginal households were a significant part of the population in the case study communities of Coral Harbour (where the Aboriginal Inuit population makes up most of the population) and Maniwaki (from the nearby Kitigan Zibi Anishinabeg reserve). They were also found to a lesser extent in Russell and Preeceville. Informants from Maniwaki suggested that some Aboriginal persons from areas north of the town come to the area in search of affordable housing and can end up living on the streets or in overcrowded and substandard apartments, basements and garages. The numbers are small, as they are in Russell and Preeceville. However, in Coral Harbour there are many housing problems associated with the high costs of construction and utilities coupled with the lack of employment opportunities. This leaves Aboriginal households with major affordability problems, which are often addressed by "doubling up" in crowded situations.

There is a significant employment and income gap between the Aboriginal and non-Aboriginal population in the North. The Aboriginal unemployment rate is often three to four times higher than average in many northern and remote communities. Non-Aboriginal workers are often employed by government or resource-based organizations, earning high incomes, while Aboriginal workers are often employed by traditional activities like living off the land or rely on government transfer payments, earning very low-incomes (CMHC, 1999). Thus, their income levels are lower and the incidence of poverty is much higher (two to three times) (CMHC, 1999; Carter Research Associates Inc. 1999).

The incidence of need among Aboriginal households in 1996 was much higher than among other households living in rural areas (Table 7). In the Northwest Territories and Saskatchewan more than one-third of Aboriginal households were in core housing need.

Table 7: Rural Households with Aboriginal Identity by Province and Need Status, 1996

	All Households		Households In Need		Incidence
	Number	%	Number	%	
Newfoundland	2,290	4.1%	585	3.6%	25.5%
Prince Edward Island	115	0.2%	20	0.1%	17.4%
Nova Scotia	955	1.7%	165	1.0%	17.3%
New Brunswick	715	1.3%	155	1.0%	21.7%
Quebec	775	12.1%	1,345	8.3%	19.9%
Ontario	10,355	18.5%	2,570	5.9%	24.8%
Manitoba	7,220	12.9%	2,035	2.6%	28.2%
Saskatchewan	6,155	11.0%	2,130	3.2%	34.6%
Alberta	6,390	11.4%	1,650	0.2%	25.8%
British Columbia	6,825	12.2%	2,185	3.5%	32.0%
Yukon Territory	785	1.4%	255	1.6%	32.5%
Northwest Territories	225	5.8%	1,250	7.7%	38.8%
Canada	**55,990**	**100.0%**	**16,140**	**100.0%**	**28.8%**

Source: CMHC's HIC Database, based on 1996 Census

Looking at the Aboriginal population living off reserve in rural areas, we see that 17.8% of those households had some type of housing affordability problem. In most cases (15.7%), these households also found themselves in core housing need (Table 8).

Table 8: Aboriginal Households in Core Housing Need Due to by Housing Affordability Problems, 1996

	All Households	In Need
Below Affordability Only	11.6%	10.1%
Below Both Affordability and Adequacy	3.6%	3.3%
Below Both Affordability and Suitability	1.9%	1.7%
Below Affordability, Adequacy and Suitability	0.7%	0.6%
TOTAL	17.8%	15.7%

Source: CMHC's HIC Database, Based on 1996 Census

Comparing the income, shelter cost and shelter cost-to-income ratio of Aboriginal households by need status, the situation is much the same as among the general rural population (see Table 5 for that of the general population). The average income of households in need was less than 40% of that of households not in need. At the same time the average shelter payment of households in need was 84% of those not in need ($411 compared to $487). Consequently, households in need paid more than twice the proportion of their income on shelter than those that were not in need (34% compared to 14%) (CMHC, 2000).

Table 9 shows the distribution of Aboriginal households in core housing need based on adequacy or suitability problems: 11.9% are in core housing need with an adequacy problem; 9.5% with a suitability problem.

Table 9: Aboriginal Households in Core Housing Need Due to Adequacy or Suitability Problems, 1996

	Total	Not in Need	In Need
Below Adequacy Standard Only	12.9%	7.0%	5.9%
Below Suitability Standard Only	11.0%	5.8%	5.1%
Below Both Affordability and Adequacy	3.6%	0.3%	3.3%
Below Both Affordability and Suitability	1.9%	0.1%	1.7%
Below Both Adequacy and Suitability	4.4%	2.3%	2.1%
Below Affordability, Adequacy and Suitability	0.7%	0.1%	0.6%
Source: CMHC's HIC Database, Based on 1996 Census			

Comparing the level of housing problems among rural households, Aboriginal households are twice as likely to be in core housing need and seven times more likely to be below multiple housing standards (Tables 3, 7, 8, 9). The 28.8% incidence of core housing need observed among rural Aboriginal households was less than the overall rate for all off-reserve Aboriginal households in 1996, which was 32%.

3.2.7 Low-income Commuters

There are some low-income households who commute from a rural area into a small town or other central place for employment purposes. In some cases, this is by choice. In St. Stephen and in Kingston-Greenwood, for example, informants noted that most of the low-income households who commute into town from outlying rural areas do so freely because they enjoy the rural environment, or because they may have inherited a family property there.

However, for other households, the decision to commute is one of necessity because of lack of housing choice in the small town, or the relatively higher costs associated with renting or owning in town. These situations were evident in Marystown (lack of choice) and in Brooks and Port Elgin (higher housing costs). This creates a real financial burden for those of low-income who require vehicles to commute to work in town. The growing lack of availability of affordable rental housing makes it extremely difficult for individuals working in low-paying service jobs or part-time/seasonal employment to live and work within the community.

3.2.8 Rural Homelessness

There is a growing literature in North America on the issue of homelessness in rural areas. The literature is primarily in the form of case studies and community plans (Armin, 2000; Callaghan, 1999; Housing Assistance Council, 2001b; National Rural Health Association,

1996) with some also considering the issue in a larger theoretical context (Fitchen, 1991; Wright, Rubin, and Devine, 1998). Collectively, the literature identifies a number of critical elements which are important for understanding the issue of rural homelessness:

- In a rural context homelessness is often more about "relative" homelessness; this is a population which is vulnerable to becoming homeless (because of low-incomes, lack of security in tenure or poor quality housing), or who are less visible because they live in squalid conditions, double or triple up with family and friends, are transient from one location to another within a community or from community to community, or because they do not have access to services that one might find in an urban setting. The Housing Assistance Council "suggest[s] that homelessness [in a rural context] be defined as a continuum ranging from a complete lack of shelter at one end to severely inadequate housing conditions at the other."
- The problem is really one of poverty—rural households with little or no income are vulnerable to becoming homeless.
- There are usually no emergency shelters for homeless singles, youth or families, which means that many "rural homeless" migrate to urban centres in search of services and solutions.
- There is an increasing reliance of individuals and families on motel accommodation.
- low-income tenants in rural areas are often caught in an affordability squeeze and they have few other housing choices.
- The low density of population and services in rural areas means that poor rural people require a car to get around, which erodes their ability to afford decent housing.
- Rural homelessness is more often caused by economic changes beyond the control of individuals and households; the impact of the loss of energy-related, manufacturing, and farm-related jobs and their replacement, if any, by low-paying and often part-time service sector employment is noted in several reports; when someone loses a job in a rural community, they have few options other than to relocate to another community to find a job, and this is often not a choice people want to make.
- Rural homelessness is less likely to be a result of mental illness than it is in urban settings.
- Fitchen (1991) notes that rural gentrification, whereby people from neighbouring urban areas relocate to obtain cheaper housing or vacationers build second homes (both of which result in rising housing costs for local residents) contributes to the increasing problem of rural homelessness.
- Whole, intact families are more likely to be the face of rural homelessness than are single persons (as is usually the case in urban centres); however, family conflict and domestic violence can also result in the breakup of rural families and leaving women and children with a housing problem (Housing Assistance Council, 2001b; Pauktuutit Inuit Women's Association, undated).

Poor quality rental above old commercial buildings, St. Stephen

The emerging gaps in rural housing "markets", then, present special challenges at the local level, particularly where there are fewer community and institutional supports to assist individuals and families with their housing problems.

There was not much evidence of rural homelessness in the case study communities. Most informants from virtually all of the communities suggested that there may be only one or two households or individuals who could be described as being "absolute homeless" without a permanent place to call home. They would typically be living outside of a small town or community, in a very rural location, perhaps in a tent for part of the year, or in some other modified structure (such as a converted bus or camper). Most informants attributed the lack of absolute homelessness to a variety of factors, including the lack of services for such people in small towns and rural areas (and thus they move on to urban centres), the (usual) presence of an extended family network to help out people who are in trouble, and the relatively lower costs associated with obtaining housing. They did, however, identify the presence of households "at-risk" of becoming homeless, barely making it from month to month.

3.2.9 Summary: Low-income Housing Situations in Rural Communities

The housing situations of low-income households found in different types of rural communities vary significantly. In growing communities, higher housing costs and declining vacancy rates are problems faced by low-income households. In both stable and in declining communities, high operating costs and older housing in relatively poorer condition, are more common problems. Also, there may be declining vacancy rates in stable communities due to the lack of new construction. In bedroom communities, where higher-income households are moving into the community, the result is that the working poor and single parents typically find themselves in low-income situations, and they also face rising costs and fewer housing choices. In retirement communities, seniors may face rising housing costs as new units are built. In Northern communities where construction and operating costs are much higher, there are major affordability and crowding problems, especially among Aboriginal households (Table 10).

Table 10: Housing Situations of Low Income Household Types in Rural Communities

Economic Situation	Housing Situations	Case Study Communities
• fuelled by new economic activity • service centre for other areas	• low or falling rental vacancy rates • rising costs	• Brooks Alta. • Kingston N.S.
• service centre for other areas • presence of social services is important	• low or falling rental vacancy rates • poor quality units • high heating and operating costs	• Port Elgin Ont. • Saint-Fabien-de-Panet Que. • St. Stephen N.B.
• slow erosion of economy through business closure • may have been, or still is, a single-industry community • seasonal activities may be important	• poor quality units • high heating and operating costs	• Maniwaki Que. • Marystown Nfld. • Wawa Ont.
• retail and services dominate	• low or falling rental vacancy rates • rising housing costs	• Mississippi Mills Ont.
• retail and services • health care sector	• rising costs for newer units • some older units with high utility costs	• Russell Man. • Preeceville Sask.
• resource and service oriented • large gap between high and low paying jobs • limited expansion options	• high utility costs • high construction costs • limited or no private sector housing provision • affordability problems due to lack of jobs among local Aboriginal population • crowding among extended families	• Coral Harbour Nun.

It is apparent from this summary table that there is a direct connection between local economic conditions and housing conditions for low-income people.

4.0 The Nature of Rural Housing

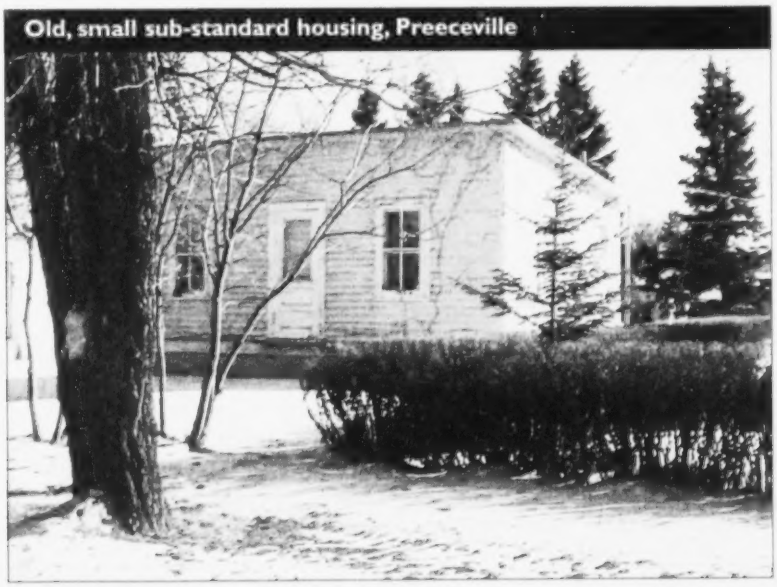
In this section we describe a variety of aspects associated with rural housing, including type and tenure, condition and supply issues.

4.1 Type and Tenure

Based on the 1996 Census of Canada, a higher percentage of rural and small town residents in Canada own their homes (82%) compared to urban households, where ownership rates are at 64%. This is down slightly compared to the estimated 88% rate of rural home ownership a decade earlier (Rostum, 1987). In addition, many of the homes owned by rural and small town residents are mortgage-free (56%), while only 45% of urban homeowners do not have mortgages on their homes (Marshall and Bollman, 1999).

In comparison, 75% of homes in U.S. non-metro areas are owner-occupied, but there is a significant number of renter households in non-metro areas (5.6 million). Nationally, only two-thirds of U.S. homes are owner-occupied. George and Holden explain the reason for fewer renter households in rural areas: "housing options in rural areas, particularly for low-income renters, are not only inadequate but are diminishing as well. In this strong economy, many private landlords are increasing rents and pricing out many low-income renters" (2000, p.5).

Bruce (2000a), in a study of rental housing in Atlantic Canada, found that the supply of rental housing is quite limited in rural communities (unincorporated places of less than 1,000 population), and mostly in the form of single-detached homes (about 61% of all rural rental supply). In small towns (incorporated places of less than 10,000 population) the profile is a bit more "urban-like," with one-quarter of the rental stock being single-detached units and 62% in multiple unit structures. In larger urban centres rental units are more commonly in multiple-unit structures, with only 10% being single-detached units.



Old, small sub-standard housing, Preeceville

This profile was confirmed by our investigation in case study communities. The two most common types of rental housing stock found among these communities were low-rise apartment buildings of six or fewer units (including houses converted to multiple-unit dwellings), plus single-detached or semi-detached homes. In some communities there was some evidence of secondary suites, mini or mobile homes, and few apartments above commercial properties contributing to the rental supply, but these were generally less important. As well, there tended to be very little in the way of boarding houses or rooms, rooming houses, or other forms of "alternative housing" supply. These types generally are found in larger regional centres.

Land lease communities (with mini or mobile homes) are generally a small but important component of the affordable housing supply. This was the case in St. Stephen and in Preeceville. Part of the problem in most communities is the very poor quality of the original supply of these units. Another problem is that many communities do not have zoning which permits such land lease communities within municipal boundaries. In many communities, mini homes or "trailers" may only be permitted on an individual lot basis, and usually only in certain parts of the community.

The use of motels or hotels tended to be limited or specific to periods of robust economic activity (for example, mining expansion in Wawa in the past and road construction in St. Stephen). However, informants thought that there were only occasional and isolated cases of individuals or households living in these structures.

The social housing stock, however, appeared to be an important component of the rental supply. In most of the case study communities, these are full and have waiting lists. There were a few exceptions. In communities with depressed economies like Marystown, where the private sector rental property owners keep their units in good condition and home ownership is very affordable, or where the social housing units are much older or poorer quality (as in Marystown, Wawa, and Port Elgin), some social housing units are left vacant.

4.2 Condition of the Rural Housing Stock

Several studies have documented the link between the older housing stock and the need for major repairs: the rural housing stock is made up of significant proportions of older, pre-1941 residential dwellings (29%). Because of their age, the proportion of these houses in need of major repairs is higher than the Canadian national average (Carter and Shindruk, 1992; Rostum, 1987; Stocking, 1978).

Bruce's study of the rural rental market in Atlantic Canada (2000a) confirms these points. Of particular concern is that a greater percentage of the small town (10%) and rural (14%) stock is in need of major repairs, compared to the stock in urban centres. Furthermore, 29% of the rural rental stock in 1996 was reported to be in need of minor repairs, a rate much higher than in other types of Atlantic communities. The problem of poor quality housing stock or the need for repairs (particularly for low-income renters),

was raised in a number of case study communities, including St. Stephen, Saint-Fabien-de-Panet, Maniwaki and Wawa. It was also identified as a problem for some rural homeowners, especially older homeowners.

4.3 Housing Supply Issues

In addition to physical problems associated with the quality of housing stock, supply problems have also been evident. For years, the number of new rental units built has been very low or non-existent. This has created a supply deficiency in many small communities. The private rental sector in many of these communities cannot adequately accommodate the present rental demand because of the higher building costs, limited demand and lower incomes (Badiuk and Carter, 1991). Hence, social housing generally comprises a significant portion of the rental housing stock in northern and remote communities (Badiuk and Carter, 1991). Often, rental dwellings are targeted to single parents, disabled people and seniors.

Bursts of new housing supply in rural communities and small towns are often linked to specific periods of increased economic activity. For example, there are large components of the housing stock in Port Elgin, Maniwaki and Wawa which can be dated to periods of specific economic expansion in the local economy. However, very little in the way of new housing has been built in these communities in recent years. There are few, if any, economic opportunities for builders and developers to attempt building "on spec" in the hopes of attracting buyers and earning a return on their investment. The resale market as a means of supplying homes varies widely, but in communities with depressed economies it can be difficult to sell homes because of limited in-migration (Maniwaki, St. Stephen) or the older age of the properties which affects their quality and operating costs.

4.3.1 Local Construction Sector Capacity

There is scant evidence in the literature related to the capacity of the home building sector to supply new housing in a rural context. In general, the private building sector faces many challenges in "supplying housing." When added together, elements like a small population, the scattered nature of settlement, and extra costs reduce the viability of any private market activity in many smaller and more isolated rural communities. Low incomes, limited demand and low or non-existent profit margins have also reduced the effectiveness of private sector builders and lenders (Carter, 1993). The absence of an economically viable private sector to supply housing in these smaller and more isolated communities not only reduces the housing options available, it also compounds the existing housing problems. Bruce (2000b) also identified these issues as being specific to the rental housing supply problems. This results in a lack of adequate housing choices for low-as well as moderate-income households. Lack of adequate rental housing options represents a real problem for the few professional and skilled workers that seek employment (Bruce, 2000a). Small centres often have trouble attracting such people because of the lack of adequate rental housing, and this can create problems for economic growth opportunities (Bruce, 2000b). This was found to be the case in St. Stephen, Russell and Coral Harbour.

Moderate-income seniors who wish to rent also face the same lack of options.

A few of the case study communities are experiencing problems associated with the capacity of the private building sector to build housing. In Maniwaki, Wawa, Preeceville, Saint-Fabien-de-Panet, Preeceville and Russell it was noted that the local construction sector typically only provides renovation services. The limited or non-existent demand over time for new housing construction (due in large measure to the small population sizes in these communities) has meant that few people have become involved in this sector, or they have left their communities in search of other employment opportunities. In cases where there are new houses and other structures being built, contractors from outside these communities typically do the job. One exception is in Coral Harbour where there has been a concerted effort to train carpenters and tradespeople from among the Aboriginal population as a means to reduce the need to import such labour, and as a way to provide local employment opportunities.

Self-built family housing (Housing Assistance Program), Coral Harbour

Manufactured housing, Preeceville

In communities where the economy is expanding or reasonably healthy (Brooks, Mississippi Mills, Kingston-Greenwood), there is new residential construction activity, and more capacity in the local construction sector to build new housing on demand.

4.3.2 Self-Build

One of the common strategies in rural communities and small towns employed by households wishing to reduce their housing costs is to build their own homes. A study of this activity in the early 1990s (Ashton, Bruce, and White, 1993) reported that up to 50% of the rural housing stock is contributed by self-builders. They also reported that self-builders often have the financial means to purchase a contractor-built home, but choose to build their own because they believe they can match or exceed the quality at a lower cost. The major cost savings for self-builders are primarily through sweat equity provided by themselves, family members and friends, and through lower borrowing costs by dramatically reducing or eliminating the amount borrowed through a mortgage. However, the study also showed that very few self-builders are low-income households, because they lack the necessary up front cash savings required. There was little or no evidence from the case study communities that low-income households use self-build as a means to address their housing needs.

4.3.3 Manufactured Housing

Manufactured housing, also referred to as "mobile homes," is more common in rural than in urban communities. Manufactured housing refers to modular houses, either bungalows or two-storeys. It also includes a supply of mini-homes (traditionally called "trailers") which are mounted on permanent or temporary foundations. These latter forms are especially important as potential affordable ownership or rental supply for lower-income households. Unfortunately, older models are in poor condition, and carry a stigma with them which makes the purchase and placement of new units somewhat more difficult because of negative local attitudes and perceptions toward these types of units.

The Canadian Manufactured Housing Institute reported that new manufactured homes made up 7.15% of all single family home starts between January 1 and September 30 1998. Statistics Canada data for housing tenure shows that households living in manufactured homes in 1998 are approximately 2.1% of all Canadian households, decreasing slightly from 2.2% in 1997. Corbett (2001) reports that while only 3% of new housing starts in Canada are from the manufactured housing sector, the figure approaches 24% in the United States. He suggests that the legislative environment in the United States is more permissive of such housing.

The highest percentage of Canadians living in manufactured homes according to the 1996 Census is found in Yukon Territory (9.2%), Northwest Territories (7.8%), Prince Edward Island (4.5%), and New Brunswick (4.5%). Corbett's study (2001) confirms these figures, noting that manufactured housing accounted for 20% of all new housing starts (1997) in Nova Scotia and New Brunswick, with the Western provinces at about 10%, and Ontario at less than 2%. These figures suggest that manufactured housing plays an important role in the supply of rural housing. Manufactured housing has proved to be an important element in the supply of housing in some of the case study communities. In Preeceville and Russell, where the populations are small and there is virtually no construction sector present,

"ready-to-move" (RTM) units from the regional centre of Yorkton have proven to be the primary source of new housing starts. Local tradespeople become involved with the site preparation work and the final installation phases, but the units (of all housing types) are assembled in the factory and shipped to the community. The story is similar in St. Stephen, where manufactured housing has become the housing of choice across all income categories.

4.3.4 Conversion of Cottages for Housing

Halseth and Rosenberg (1995) note that in rural cottage property areas the conversion to year-round use poses infrastructure (water and sewerage) and public service (health, education, transportation, etc) challenges. In addition, much of the conversion in this context is happening within the parameters of retirement and pre-retirement households moving to the rural countryside on a permanent basis. While this is happening in the earlier, more "fit" years of age, the long-term implications are potentially significant as an aging population requires more services. Conversion of cottages was found in our case study of Port Elgin, which serves as a "tourism" community. In some cases, these cottages were a source of seasonal (off-season) affordable housing for some local residents. This form of local housing supply is being slowly removed.

5.0 Barriers to Addressing Housing Needs

Given who the low-income households are, their various housing situations, and the nature of rural housing markets and supply, there are a variety of barriers to addressing the housing needs of low-income households. On the surface, it is easy to pinpoint low incomes as the major barrier, resulting in an inability to pay market rents, or requiring deep subsidies from government. However, the problems entail much more, which make it extremely difficult for the private sector and others to meet these housing needs. These are discussed below, in no particular order.

High Building Costs

In several of the communities, the cost of building is high because of the long distances to larger centres where the materials or the labour would be supplied from. This is especially the case in Coral Harbour, where a short shipping season by barge to the community is a reality. For other centres where there is a non-viable or non-existent construction sector, such as in Maniwaki, Wawa or Preeceville, the high cost of bringing in labour to complete the work is a reality. In some cases, high building costs are associated with limited land available for development. In Maniwaki and in St. Stephen there is little serviced land available. This has the effect of driving up the price of building lots and the costs of service provision.

NIMBY

Informants in most communities noted that NIMBY (the "not in my backyard" syndrome) issues are not nearly as problematic as they were several years ago. At the same time, however, there has been little new social or market housing built for lower-income households to really test this issue. Explicit NIMBY challenges to new developments were found in Brooks, where a large employer attempted to build modest, affordable modular housing for its employees. In St. Stephen there appears to be a long-standing bias against low-income households. In Mississippi Mills there is concern that with many more affluent households arriving in the community there may be NIMBY pressure applied towards any new developments for lower-income households.

Limited Economic Options, Economic Uncertainty, and Lack of Viable Housing Markets

For several of the case study communities, the challenges associated with sustaining some long-term, viable, economic activity have made it difficult for people with an interest in addressing housing problems. In places where major employers have shut down or where unemployment has been high or rising, and where there is continued economic uncertainty, there is little economic incentive for investors to build new rental housing, for residents to build new ownership housing, or for people to move to the community to buy existing resale property. In this context, incomes are flat and depressed, with little hope of rising to a level where housing demand can generate new supply. Many of these problems are associated with communities dependent upon natural resources (lumber in Maniwaki and Saint-Fabien-de-Panet, fishing and fish processing in Marystown, mining in Wawa), or in remote northern communities (Coral Harbour).

At the same time in other communities there may be conditions which are contributing to a less favourable environment for housing investment, or decreasing the potential demand for housing:

- the substitution of capital (for example, technology) for labour in many of the resource-based industries which contributes in part to an out-migration of households;
- recent changes brought about in the employment insurance program, which reduce the viability of season employment for rural workers;
- the very low birth rates and rates of household formation, resulting in fewer young families and households in rural areas seeking housing; and
- the centralization of government services (such as health and education) in larger centres, making living in rural communities and small towns somewhat less attractive.

When these issues are combined or concentrated in a community, the net effectis a reduction in the population base and a reduced potential demand for housing (Bruce 2000a).

In several of the case study communities, there was clear evidence that these issues were contributing to a more narrow range of housing options available. In Wawa, Preeceville, Russell, and Saint-Fabien-de-Panet in particular, it was recognized that the population size prohibited potential residential development. This severely limits housing choices, as noted above, and restricts opportunities for new private sector developments.

This situation was even more pronounced in Coral Harbour, where its geographic isolation precludes any possibility of a viable housing market. Few people earn sufficient income to pay the full costs of their housing. Most people interviewed in Coral Harbour suggested that the community is not facing a "housing crisis" per se, but that the community has an "economic development crisis." What is needed most in communities like Coral Harbour (and in other rural communities as well) is more long-term sustainable jobs that pay a decent wage. Until this problem is addressed these types of communities will remain largely dependent on social assistance and short-term seasonal employment. The housing problems Coral Harbour faces cannot be considered in isolation from the need for economic development.

Limited Economic Return on Rental Housing

Demand for housing will vary from community to community based on local conditions and the regional economy within which the community is located. As the rural economy continues its shift away from a resource-based economy to other economic activities, and as the occupational structure becomes more complex and diverse (including seasonal and year-round tourism, information technology, and small scale home-based activity), there may be longer-term implications for shifting housing demands. People employed in some newer sectors or occupational types may require or demand, for example, rental housing on a year-round or seasonal basis (Bruce 2000a).

Potential increases in demand for rental housing may also be based on a key demographic issue. The aging of our society suggests that as the population ages, the demands for different types of housing beyond the single-detached, owner-occupied house will increase, especially in small towns and rural areas as people wish to remain in communities where they grew up, or to retire in these locations. They will want quality, low-maintenance housing with services and amenities (Bruce 2000a).

However, even with these changes which may potentially increase demand for rental housing, the economics of constructing new rental properties and recovering the investment within a reasonable time frame is limited. In most small towns and rural communities there is some demand, but it is for so few units that it often does not make economic sense to build new rental housing. The economies of scale are simply not there. This affects both the construction of units and the operation of existing projects. One vacancy in such small developments, even if they were built, can be the difference between profit and loss. This reality was highlighted by many key informants in most of the case study communities.

Community Services Infrastructure

The presence or absence of community services plays a role in shaping local housing markets. Elements such as hospitals, health clinics, long term care facilities, schools, and a variety of other social and community services are important in a community, especially for seniors and for young families. Those communities (Preeceville, Mississippi Mills, Russell St. Stephen) which have many of these services tend to retain some of their low-income population, or attract others. When these are not present (as in Wawa, Saint-Fabien-de-Panet, Brooks, Marystown), it creates more difficult situations for low-income households, and they tend to move to where the services are located. It also poses problems for the retention of seniors of all income categories.

Poor Social Conditions

In a few of the case study communities, it was noted that the social conditions of low-income households posed problems for them to help themselves. With low levels of educational attainment, limited self-esteem, few family role models to serve as guides for improving one's life circumstances, and few "life survival skills" some of these households find themselves trapped in poverty situations from which they have limited ability to escape. These circumstances were described in St. Stephen in particular, and to a lesser extent for some households in Coral Harbour, Maniwaki, and Saint-Fabien-de-Panet. A movement to improve education levels and social skills was seen as an important strategy within any long-term housing plan.

Lack of Community Leadership

With the end of new social housing construction in many areas in the early 1990s, there was an erosion or withering away of community-based interest and leadership in affordable housing issues.

People lost interest as a result of focusing solely on managing the existing units under their control. As well, affordable housing has not been on the radar screen for several municipal governments struggling with many other issues. Interviews in some of the case study communities revealed that the topic received only passing notice at the municipal council level (Maniwaki, Kingston-Greenwood). Other topics such as health care and transportation tended to dominate. Other informants in these communities suggested that there was lack of a focal point on the issue of affordable housing for those in need.

Public Policy and Regulations

Some public policy items present barriers to addressing the needs of low-income households. One specific example relates to the amount of income provided through social assistance payments. In general, the amounts provided are low and not enough to help low-income households find affordable housing. Described in more detail earlier in section 3.2.4, the shelter component amount poses various problems in different provinces; in some, it results in artificially high rents for low-income households. Corbett (2001) found that some provincial, and municipal policies and regulations discourage manufactured housing parks (which can increase affordable housing supply and control sprawl) in rural communities. He noted that provincial governments, which have enabling legislation to allow municipalities to control local land use, permit them to differentiate between site-built and manufactured housing. Municipalities typically do not accommodate manufactured dwellings in most areas of their communities.

6.0 Opportunities to Address Housing Needs

Convent converted to rental housing, Russell

Despite the fact that there are many barriers to addressing the housing needs of low-income households in rural communities, the collective experience of the 12 case studies reveals that there are many potential opportunities to address some of the needs. In some cases, individual communities have seen success from very specific, local initiatives. In other cases, key informants identified local resources which might potentially be part of the solution. These are summarized below.

Municipal Planning and Land Development

Most communities have a supply of affordable and serviced land, ready and available for development. The exceptions in this case would be Mississippi Mills (high development charges), St. Stephen (limited developable land remaining), and Maniwaki (flood plain problems).

Small municipalities and unincorporated rural communities do not have the same capacity as their larger urban counterparts to provide serviced land and other infrastructure to facilitate development. Smaller municipal budgets do not afford the opportunity to provide water and sewerage services to some or all parts of some small municipalities. However, in St. Stephen the new housing policy provides incentives (in the form of grants and rebates) to the private sector to help them overcome the high costs of infrastructure development. In rural unincorporated areas, there simply is little or no economic or service rationale for delivery of these services to scattered residential property owners. In most cases small municipalities do not have the capacity to assemble and develop large tracts of land—this is left to the private sector. Marystown and Russell have become involved in land assembly and subdivision development to encourage the private sector to build. Saint-Fabien-de-Panet and Preeceville have provided building lots for $1 to encourage development.

The literature identifies some pilot projects which have been carried out to explore ways of changing local regulations and by-laws to permit new forms of housing in rural areas and small towns. One example is to permit garden suites as a temporary use. Garden suites are self-contained dwellings which are temporarily located on the property of an existing single-family home, for use by the older adult parent(s) of the property owner. They provide a housing option for seniors who wish to maintain some degree of independence. (Energy Pathways, 1994). A second example is to permit second dwelling units, primarily accessory apartments, in a home (Energy Pathways, 1996). A third example is to permit two homes on one rural building lot, taking into account the accommodation of appropriate on-site septic

systems (Tasker-Brown, 1999). The net result in all three examples is an increase in the range of housing options and choices, the supply of affordable housing and an increase in housing density.

Proactive Community Leadership

In some of the case study communities, local government has attempted to provide a leadership role, introducing new measures to stimulate housing development. This is the case in Saint-Fabien-de-Panet, St. Stephen, Marystown and Russell. The initiatives range from taking an active role in land assembly and development, to providing a variety of financial incentives for new housing starts. At the same time, some communities have effective local non-profit groups which are well-established and anxious to do more, including those in Mississippi Mills, Port Elgin, and Brooks.

Conversion of Buildings

In some of the case study communities there has been conversion of existing properties into residential units, or they have such assets at their disposal. For example, vacant church properties have been converted to seniors' housing in Saint-Fabien-de-Panet. A former chocolate factory in St. Stephen has been converted to rental apartments plus commercial activities. In Port Elgin, one private developer has been active in converting local non-residential space (a local hotel) to a small number of affordable rental apartments. In Kingston-Greenwood there is a potential supply of affordable housing units in the form of surplus military housing on the adjoining base. Some informants from most case study communities identified non-residential properties and buildings which could potentially be converted to affordable housing.

Responding to Market Demand from Seniors

In some of the case study communities where seniors with sufficient incomes are growing in number, there are private sector developments underway to meet their needs, including small scale apartment buildings and life-lease projects. These initiatives will attract new seniors to the community, and/or free up existing units occupied by seniors. Preeceville, Russell St. Stephen, and Kingston-Greenwood all have varying degrees of activity on this front.

Integrating Housing and Services for Seniors, Disabled People, and Others

An important aspect of meeting the housing needs of seniors and special needs groups is the provision of a broad range of services as well. This is usually undertaken by community non-profit groups. In Mississippi Mills, the Mills Community Support Corporation operates three group homes for people with developmental disabilities, and a 50-unit non-profit apartment building for seniors. In Port Elgin the Bruce County Housing Corporation provides accommodation for up to eight individuals with mental health challenges. The Bruce County Social Services Department has established a Homeless Housing Registry with funding from the federal Supporting Communities Partnership Initiative. In Preeceville the construction of a 10-bed housing unit for personal care is in the planning process, and the move to combine the hospital and the personal care home has also been discussed.

Manufactured Housing

Several of the case study communities are located in provinces or regions where the manufactured housing sector is reasonably healthy and progressive, and offers a broad range of housing production options. In St. Stephen, Preeceville and Russell the manufactured housing sector is an important supplier of most new housing.

Research and Development: Building Technology for the North

Given the special development and building challenges in northern and remote communities, there has been an ongoing program of research development on building technology for northern communities. Many projects have been undertaken to explore how to improve housing conditions, reduce building costs, and reduce operating costs (CMHC 2000a; 2001a, 2001b, 2001c).

Summary of Specific Examples of Past and Present Housing Initiatives

Most of the case study communities (with the exception of Coral Harbour, Kingston-Greenwood and Maniwaki) have had some recent and current initiatives to address one or more housing issues in their communities. These are summarized in Table 11; more details can be obtained from the individual case study reports. The common elements among many of the various initiatives include the active role of the municipal government in purchasing or securing land for private sector or partnership development and strong local leadership.

Table 11: Examples of Past and Present Housing Initiatives in Case Study Communities

Case Study Communities	Description
Brooks Alta.	• town council formed strategic partnerships, changed zoning to accommodate more multiple family construction • newly formed housing agency called the Brooks Housing Society
Kingston N.S.	• recent private sector development of market rent seniors' complex • community groups and provincial government attempting to secure surplus military housing for use as affordable housing for low-income households
Marystown Nfld.	• Town Council, with assistance of Newfoundland and Labrador Housing Corporation, involved in development of new subdivision • Town Council promoted construction of "granny flats"
Mississippi Mills Ont.	• Mills Community Support Corporation activities include a Home Support Program; three group homes for people with developmental disabilities; a 50-unit non-profit apartment building for seniors; family homes; a Housing Help worker who intervenes with people at risk of becoming, or already, homeless; and other charitable services
Port Elgin Ont.	• private developer converted a local hotel to a small number of affordable rental apartments • Lutheran Church sponsored life-lease development for senior households of middle and upper income • Bruce County Housing Corporation provides accommodation for up to eight individuals with mental health challenges

Table 11: Examples of Past and Present Housing Initiatives in Case Study Communities

Case Study Communities	Description
Port Elgin Ont.	• Bruce County Social Services Department established a Homeless Housing Registry with funding from "SCPI" Program • Habitat for Humanity Chapter has started up and built one home • the "Y" in Owen Sound operates a housing support program that helps low-income people find and keep affordable housing
Preeceville Sask.	• construction of 10 bed housing unit for personal care is in planning process • a move to combine the hospital and the personal care home has been discussed • two life-lease developments for seniors are in the discussion stages
Russell Man.	• new housing complex consisting of two fourplexes for seniors (55 plus) has been built, affordable only for upper-income seniors • plans for new seniors' accommodation on the hospital grounds • municipal government has bought land from private landowners, developed and serviced these residential lots, including lots for a multi-unit housing development
Saint-Fabien-de-Panet Que.	• council developed a strategy to construct affordable housing • advertising campaign to attract more permanent residents • municipality worked with the Société d'habitation du Québec and the Caisse Populaire Desjardins to launch a number of new initiatives; projects were developed and are currently owned and operated by local non-profit and coop housing providers (15-unit addition to a convent for seniors; 10-unit conversion of a presbytery for seniors; 15 renovated houses for families) • Town owns several vacant lots which it sells to individual home owners for $1 • tax rebate of up to $2,000 per lot to persons building on serviced land • local Caisse Populaire also offers financial assistance in the form of a mortgage interest rebate of $500
St. Stephen N.B.	• municipal grant incentive program in 2001 to stimulate new residential construction, particularly rental particularly for seniors • first part involves financial incentives to offset the costs of unusual infrastructure development problems (for water, sewer, storm sewer, gutter, road work, etc) • second part is a grant of $1,000 for each new housing unit built • developers of seniors' rental apartments can apply for $3,750 per unit prior to the start of the development, with the submission of a business plan • group of people looking at feasibility of starting up a Habitat for Humanity chapter affiliate • Home Support Services, a private non-profit social agency, is developing a plan to construct an assisted living housing complex
Wawa Ont.	• in early 1990s municipality formed Michipicoten Non-Profit Housing Corporation, constructed a 40-unit non-profit townhouse project for families, singles, seniors and persons with disabilities • Chadwic House, an emergency shelter for women, established to serve a wide catchment area across the region • Iris Place recently opened, a drop-in centre for persons with mental health challenges

7.0 Conclusions

The housing needs of low-income persons in rural Canada are quite diverse and vary from place to place across the country. Seniors, working poor families, single-parent households, some single youth and young adults, a few disabled persons, and some Aboriginal persons are represented in the "universe" of low-income persons in rural Canada. The relative presence of one or more of these groups among local low-income populations varies from place to place dependent upon the local circumstances, as do the housing situations they face, and the barriers and opportunities associated with addressing their housing needs. These local circumstances, summarized below, can be categorized somewhat based on the local economy, distance to urban centres, population size and the relative size of the seniors population.

7.1 Economic Context

The economic context of the community seems to be the most important element in shaping the nature of the low-income households, and the housing situations they face. In communities where the economy is dependent on one major employer or sector, there tends to be a significant division between those with good incomes, and those on the margins. This was in evidence in Kingston-Greenwood (military base), and Port Elgin (nuclear generating plant). In other communities where the major employer is relatively unstable, there are dramatic problems associated with supply and demand for housing. In Maniwaki (forestry), Wawa (mining), Marystown (fishing and shipbuilding), and Brooks (meat processing) there are striking examples of new housing developments associated with peaks in economic activity, but also significant stoppages and vacancies associated with economic downturns and population out-migration.

7.2 Distance from Large Urban Centre

Distance from a large urban centre, and the relative role that the community plays in a regional economic context, also shape the dynamic of the local housing market. For example, Coral Harbour is an isolated northern community with no market to serve, limited economic opportunities, and high costs for both housing construction and housing operations. At the other extreme, Mississippi Mills is a near-suburban community to Ottawa, and is feeling the pressure of rising market prices associated with population and income growth. Marystown serves as a regional service centre for an isolated region of Newfoundland and Labrador, and relatively poor economic fortunes create affordability problems. Brooks is in the middle of a growing economic region. However, new housing development has not kept pace with the growth in employment, due in part to the relatively smaller population base, and the availability of affordable housing in nearby larger centres.

7.3 Population Size

Population size is important, especially as it relates to market functioning, and to construction sector development and capacity. The smallest communities in the study, Saint-Fabien-de-Panet, Preeceville and Russell, have relatively few new housing starts. There is limited or no construction sector except for small trades. When construction opportunities

emerge, they often require outside firms to manage them, while making use of local labour. In other cases the manufactured housing sector (as in Preeceville and Russell) has stepped in to fill the void created by a lack of construction capacity, supplying most or all of any new housing.

7.4 The Seniors Population

The proportion of the population who are seniors has an impact on the local housing market. Seniors are attracted to small rural communities if there is access to a range of housing options (from home ownership to appropriate apartments to assisted living to full care nursing homes) and health care facilities. The existing population moving into a retirement age will be more likely to remain in the community if some or all of these options and services are available to them. From a community development perspective, then, the ability to retain and provide health care services, and the ability to construct a range of housing options is important. Furthermore, the presence of a large proportion of seniors in the community can be a good thing for rural communities and small towns because the range of services (health care and related) that they require and purchase can in part sustain a local economy, and their changing housing needs can stimulate new housing construction and make available houses on the resale market. The communities of Preeceville, Russell, Maniwaki, St. Stephen and Kingston-Greenwood all provided evidence of the importance of the seniors population. Many of the other case study communities have a rapidly aging population who will soon retire and begin to influence the local housing market in similar ways.

7.5 Summary

As a result of these four predominant factors, housing development generally, and rental markets more specifically, tend to be problematic in most rural communities and small towns. From a demand perspective, those with relatively modest or higher incomes can afford home ownership. Thus renters are often characterized as being low-income, on social assistance, or transient. There are several instances, however, where there are high-income earners (teachers, health care professionals, others) who desire short-to medium-term rental accommodation, but there is limited choice, and little of high quality. This was evident in St. Stephen and Russell. From a supply side, then, it is difficult for rental owners and investors to earn sufficient income for reinvestment purposes, and this leads in part to a decline in the quality of the stock.

This context poses real challenges for low-income households looking for ways to solve their own housing problems. The implicit assumption of the core housing need model is that with sufficient income, a household can resolve its housing difficulty. In an urban setting with a viable rental market, this assumption is probably reasonable. In a rural setting, supply can be constrained so that even with financial resources, other options may not exist. The lack of housing supply in rural areas must be borne in mind when assessing housing need in rural areas.

The conclusions we draw about low-income households and their housing situations across different types of rural communities are summarized in Table 12. Looking at the six different types of rural communities,

we note that there are many similarities across them with respect to low-income households. However, there are sufficient differences. For example, higher operating costs and poorer quality units tend to be less of a problem in growing and retirement communities. Higher purchase prices and rental costs are prevalent in growing, retirement and northern communities. The barriers are numerous across all types of communities. In most cases, the lack of a viable housing market coupled with minimal or declining social and community services poses real problems, especially in stable and declining communities. The opportunities for addressing housing problems are quite varied across different community types. It is clear that in all cases, proactive community leadership from citizen groups and municipal councils is a necessary requirement. Furthermore, many communities have resources at their disposal such as land and vacant buildings which can be utilized or leveraged.

Table 12: Summary of Low-Income Households and their Housing Situations in Rural Communities

Type	Housing Situations	Barriers	Opportunities
Growing Communities	• low or falling rental vacancy rates • rising costs	• NIMBY • need for community services • need for community leadership • social assistance rates	• supply of affordable land • proactive community leadership • market demand from seniors
Stable or Slow Growth Communities	• low or falling rental vacancy rates • poor quality units • high heating and operating costs	• NIMBY • limited land for development • economic uncertainty • poor social conditions • lack of viable housing market • need for community services • social assistance rates	• supply of affordable land • land development • housing policy • conversion of non-residential buildings • proactive community leadership • market demand from seniors • manufactured housing • integrating housing and services

Table 12: Summary of Low-Income Households and their Housing Situations in Rural Communities

Type	Housing Situations	Barriers	Opportunities
Declining Communities	• poor quality units • high heating and operating costs	• lack of construction sector • limited land for development • limited economic options • poor social conditions • lack of viable housing market • need for community services • need for community leadership • social assistance rates	• supply of affordable land • land assembly/ subdivision • proactive community leadership
Bedroom Communities	• low or falling rental vacancy rates • rising housing costs	• NIMBY • need for community services • social assistance rates	• proactive community leadership • integrating housing and services
Retirement Communities	• rising costs for newer units • ome older units with high utility costs	• lack of construction sector • lack of viable housing market	• supply of affordable land • land assembly/subdivision • proactive community leadership • market demand from seniors • manufactured housing • integrating housing and services
Northern Communities	• high utility costs • high construction costs • limited or no private sector housing provision • affordability problems due to lack of jobs among local Aboriginal population • crowding among extended families	• high building costs • limited economic options • poor social conditions • lack of viable housing market • social assistance rates	• building technology research • integration with economic development strategies

7.6 A Community Development Perspective

The development of strategies to address housing needs in rural communities and small towns must be considered in concert with broader community development activities. The investigation in case study communities clearly revealed that some communities are better prepared to address needs. In these cases, the community adopted broader approaches to the issue, through the establishment of community housing or social agencies (Brooks, Mississippi Mills), developing a population growth or retention strategy (Saint-Fabien-de-Panet), making use of community assets and resources (Saint-Fabien-de-Panet, Port Elgin, St. Stephen), and linking social development and social or health services with the provision of housing (Mississippi Mills, Port Elgin, Russell, Preeceville). Other communities recognized the need to put in place a more coordinated social development strategy to boost people's life skills so that they would be better housing occupants and would have a greater chance of obtaining meaningful employment (St. Stephen, Coral Harbour).

The housing needs of low-income households is also, in part, an income problem. Many rural communities have limited economic options (Coral Harbour, Marystown, Wawa, Saint-Fabien-de-Panet, Maniwaki, Preeceville), which reduces the potential that residents have of obtaining sustained, year-round employment capable of providing an income sufficient to help them pay for their housing. Thus, it is critical that housing development strategies be explicitly linked to broader community economic development strategies which will create jobs and income for lower-income households.

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